

UTILITIES DIVISION[199]

Adopted and Filed

Pursuant to Iowa Code sections 17A.4 and 476.1, Iowa Code chapter 476C, and 2014 Iowa Acts, Senate File 2343, the Utilities Board (Board) gives notice that on October 16, 2014, the Board issued an order in Docket No. RMU-2014-0005, In re: Renewable Energy Tax Credits, “Order Adopting Rules.” The amendments to 199 IAC 15.19 and 15.21 reflect legislative changes to Iowa Code chapter 476C contained in 2014 Iowa Acts, Senate File 2343, which was signed by the Governor on May 30, 2014, and became effective July 1, 2014.

The amendments to 199 IAC 15.19 and 15.21 are in response to legislative changes contained in 2014 Iowa Acts, Senate File 2343. The legislation amended Iowa Code chapter 476C to extend an eligible facility’s in-service deadline by two years, from January 1, 2015, to January 1, 2017. The amendments reflect this legislative change and also extend the last year for tax credit issuance by two years, from year-end 2024 to year-end 2026.

2014 Iowa Acts, Senate File 2343, also now allows a cogeneration facility incorporated within or associated with an ethanol plant to receive tax credits for heat and power generation. The cogeneration facility is no longer limited to using natural gas as a fuel but may also use methane or landfill gas or biogas, and the facility need not reapply for tax credit eligibility approval if it switches fuels. This legislative change did not require a change to the Board’s rules.

The Notice of Intended Action in Docket No. RMU-2014-0005 was published in IAB Vol. XXXVII, No. 5 (9/3/2014), p. 350, as **ARC 1600C**. Written comments were received from the Consumer Advocate Division of the Department of Justice (Consumer Advocate) and Interstate Power and Light Company (IPL). IPL supported the proposed amendments, and Consumer Advocate said it had no objection to the proposed amendments. No one requested an oral presentation pursuant to Iowa Code section 17A.4(1)“b,” and none was held.

The Board adopted the amendments as proposed with no changes. Therefore, no additional notice was necessary prior to the adoption of these amendments.

The Board did not find it necessary to propose a separate waiver provision in this rule making. While the Board has a general waiver provision in 199 IAC 1.3, the amendments in 2014 Iowa Acts, Senate File 2343, did not give the Board the authority to waive the statutory deadlines, so no waiver provision for these rules is necessary.

After analysis and review of this rule making, the legislative and rule changes extending the deadline have no negative impact on jobs that has been found.

These amendments are intended to implement Iowa Code section 476.1 and chapter 476C and 2014 Iowa Acts, Senate File 2343.

These amendments will become effective on December 17, 2014.

The following amendments are adopted.

ITEM 1. Amend subparagraph **15.19(1)“f”(4)** as follows:

(4) The date the facility is expected to be placed in service; that is, placed in service on or after July 1, 2005, but before January 1, 2015 2017, for eligibility under Iowa Code chapter 476C; and

ITEM 2. Amend rule 199—15.21(476C), introductory paragraph, as follows:

199—15.21(476C) Applications for renewable energy tax credits under Iowa Code chapter 476C. The renewable energy tax credits equal 1.5 cents per kilowatt-hour of electricity, or 44 cents per 1,000 standard cubic feet of hydrogen fuel, or \$4.50 per 1 million British thermal units of methane gas or other biogas used to generate electricity, or \$4.50 per 1 million British thermal units of heat for a commercial purpose, generated by eligible renewable energy facilities under 199—15.19(476C), which is sold or used for on-site consumption by the owners, for tax years beginning on or after July 1, 2006. For renewable energy that is sold, either the owners of an eligible facility or a designated purchaser of

renewable energy from the facility may apply for renewable energy tax credits for up to ten tax years following the date the facility is placed in service. For renewable energy used for on-site consumption, the owners of an eligible facility may apply for renewable energy tax credits for up to ten tax years following the date the facility is placed in service. Renewable energy tax credits will not be issued for renewable energy sold or used for on-site consumption after December 31, ~~2024~~ 2026. For purposes of this rule, renewable energy used for on-site consumption means any renewable energy produced by the facility and not sold.

ITEM 3. Amend subparagraph **15.21(1)“a”(6)** as follows:

(6) The date that the eligible facility was placed in service (that is, between July 1, 2005, and January 1, ~~2015~~ 2017).

[Filed 10/16/14, effective 12/17/14]

[Published 11/12/14]

EDITOR’S NOTE: For replacement pages for IAC, see IAC Supplement 11/12/14.